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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

March 31, 2004

VIA FACSIMILE
ORIGINAL BY U.S. MAIL

The Honorable Donald Rumsfeld
Secretary
Department of Defense
1000 Defense Pentagon
Washington D.C. 20301

Dear Mr. Secretary:

Small businesses continue to be the driving force behind our economic recovery. A majority of the jobs created in the last year have come from small business. As you know, the Federal government boosts small business growth and job creation when it awards contracts with small business. According to recent data from the Federal Procurement Data Center, in Fiscal year 2003, the Federal government awarded small businesses \$62.7 billion in prime contracts which will create or retain approximately 439,632 jobs.

As Chair of the Senate Committee on Small Business and Entrepreneurship, I am concerned that small businesses continue to struggle to gain access to the Federal marketplace. This in turn limits opportunities for small businesses to expand, stunts the creation of new jobs, and halts the economic growth of the nation.

Last March, I held a hearing on contract bundling and heard from small businesses about their experience in contracting with the Federal government. I am interested to learn what steps you have taken in the last year to comply with the President's plan to unbundle contracts and improve small business participation in your agency's Federal procurement process.

Please provide the following information to me by April 16, 2004:

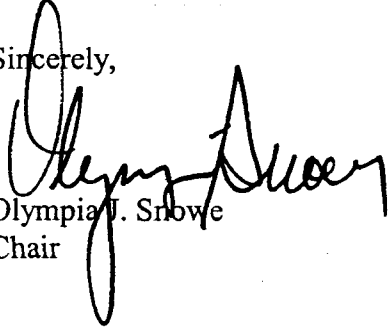
- a. Number of contracts subjected to contract bundling reviews;
- b. Dollar value of contracts subjected to contract bundling reviews;
- c. Copies of each determination and findings that such action was necessary and justified;
- d. Number of small business teams that bid on these contracts;

- e. The extent of involvement of small business specialists in acquisition planning;
- f. Action your agency took to mitigate contract bundling's effects on small business;
- g. A description of procedures in place to conduct periodic reviews and to assess how small businesses are faring in the process; and
- h. Examples of best practices for maximizing small business participation collected in cooperation with department and agency procurement executives.

In addition, please provide the Committee with a copy of your agency's most recent status report to the Office of Management and Budget's (OMB) Deputy Director for Management on the status of your agency's efforts to address contract bundling issues.

Thank you for your cooperation in responding to this request. Should you have any questions, please feel free to contact Nancyellen Gentile at (202) 224-5175.

Sincerely,



Olympia J. Snowe
Chair